LYON METAL PRODUCTS, INCORPORATED

GENERAL OFFICES LYON AURORA, ILLINOIS

July 30, 1946

AUG 14 1946

TO ALL LYON DEALERS

Subject: Prices Under New OPA Act

Gentlemen:

Although the new OPA Act is now an official law, it is still too early to draw any definite conclusions, but we feel that for the benefit of all Lyon dealers, we should pass on to you some of our preliminary opinions and interpretations.

1. Ceiling Prices

   Our selling prices represent current ceiling prices, and these selling prices are covered by our price lists which were currently reprinted and issued to you in April 1946.

2. Dealer Selling Prices

   It is our opinion that the new Act will allow you to take your current cost on Lyon products (our present billing price to you) and mark it up on the basis of your normal markup in effect as of March 31, 1946. Our suggestion is that you verify this with your local OPA office. Until such time as we are in a position to issue list prices, in this interim period, you would be in a position to secure your full normal markup on Lyon products.

As far as future prices are concerned, we cannot predict — because we cannot anticipate future costs and/or OPA action to the degree that these affect selling prices, but of course we will continue our policy of immediately notifying you of any changes.

There are at least three encouraging features under the new Act —

1. It appears that we may soon be able to again return to a list price basis.

2. A definite procedure for decontrol action is now set up under the Act and we believe that many additional Lyon products will qualify for decontrol.

3. The dealer is protected against the former OPA "dealer absorption" policy, previously practiced by OPA, in granting price relief to manufacturers, and this now appears to be a thing of the past.

Yours very truly

LYON METAL PRODUCTS, INCORPORATED